



HS REVIEW SUB-COMMITTEE  
WORKING GROUP

-  
1<sup>st</sup> Session  
-

NR0337E1  
(+Annex)

O. Eng.

Brussels, 28 November 2002.

POSSIBLE AMENDMENTS TO HEADING 85.44

(PROPOSAL BY THE US ADMINISTRATION)

(Item II.4 on Agenda)

Reference documents :

NR0229E1 (RSC/25)	NR0332E2, Annexes C/14 and F/9 (RSC/26 – Report)
NR0285E1 (RSC/26)	NR0332E2, Annexes C/15 and F/5 (RSC/26 – Report)
NR0286E1 (RSC/26)	NR0332E2, Annex C/16 (RSC/26 – Report)
NR0287E1 (RSC/26)	NR0332E2, Annexes C/17 and F/10 (RSC/26 – Report)
NR0288E1 (RSC/26)	NR0332E2, Annexes C/18 and F/11 (RSC/26 – Report)
NR0289E1 (RSC/26)	NR0332E2, Annexes D/2 and F/15 (RSC/26 – Report)
NR0315E1 (RSC/26)	NR0332E2, Annex D/5 (RSC/26 – Report)
NR0319E1 (RSC/26)	NR0332E2, Annexes D/7 and F/20 (RSC/26 – Report)
NR0320E1 (RSC/26)	NR0332E2, Annexes D/8 and F/21 (RSC/26 – Report)
NR0323E1 (RSC/26)	NR0332B2, Annex F/4 (RSC/26 – Report)
NR0325E1 (RSC/26)	NR0332B2, Annex F/19 (RSC/26 – Report)
NR0326E1 (RSC/26)	NR0334E1 (RSC/WG/1)
NR0333B1 (RSC/26)	NR0335E1 (RSC/WG/1)
	NR0336E1 (RSC/WG/1)

I. BACKGROUND

1. Following the discussions in the HS Review Sub-Committee (26<sup>th</sup> Session – September 2002) on the possible amendments to Chapters 84 and 85 concerning information technology products, the Secretariat received a note from the **United States** containing a proposal to amend the Nomenclature with a view to simplifying the structure of heading 85.44. The proposed amendment and relevant comments from the **US Administration** are reproduced in the Annex to this document.

File No. 2818

Note : Shaded parts will be removed when documents are placed on the WCO documentation database available to the public.

For reasons of economy, documents are printed in limited number. Delegates are kindly asked to bring their copies to meetings and not to request additional copies.

## II. SECRETARIAT COMMENTS

2. The Secretariat has also reproduced the amendment proposed by the **US** Administration in Annexes II and III to Doc. NR0334E1, which document sets out the Secretariat's synthesis of all the proposals related to the amendments to Chapters 84 and 85, including the **US** proposals.
3. Heading 85.44 provides, in the first part, for insulated wire, cable and other insulated electric conductors, whether or not fitted with connectors. At the subheading level, winding wire and co-axial cable and other co-axial electric conductors are specifically named. All other insulated wire, cable and conductors, whether or not fitted with connectors, are divided into three groups by voltage. Subheadings 8544.41 through 8544.60 identify three separate groupings by voltage (1) not exceeding 80 V, (2) exceeding 80 V but not exceeding 1,000 V, and (3) exceeding 1,000 V. The proposal by the **United States** would combine the first two groups into one group of electrical conductors for a voltage not exceeding 1,000 V.
4. The **US** Administration notes that trade in goods for these four subheadings is substantial. More than \$200 million in imports of goods into the **United States** is reported for each of the subheadings. However, the **US** Administration states that low voltage conductors are not typically marked with the voltage capacity, that the current nomenclature presents classification problems, and that the designation is unnecessary for trade purposes.

## III. CONCLUSION

5. The Working Group is invited to take into account the comments of the Secretariat set out in paragraphs 2 to 4 above and the comments and text proposed by the **United States** when it examines Agenda Item II.1.

\* \* \*

**Proposal and Comments by the US Administration**

A. Proposed amendment to the Nomenclature.

**Subheadings 8544.41, 8544.49, 8544.51 and 8544.59.**

Delete the text "**Other electric conductors, for a voltage not exceeding 80 V**", subheadings **8544.41** and **8544.49**, the text "**Other electric conductors, for a voltage exceeding 80 V but not exceeding 1,000 V**" and subheadings **8544.51** and **8544.59**, and substitute the following :

- "
- Other electric conductors, for a voltage not exceeding 1,000 V :
- 8544.42 -- Fitted with connectors
- 8544.49 -- Other".

B. Comments excerpted from the note submitted by the United States.

[ . . . ]The current one-dash subheadings 8544.4 (Other electric conductors, for a voltage not exceeding 80 V) and 8544.5 (Other electric conductors, for a voltage exceeding 80 V but not exceeding 1,000 V), have led to classification problems. While electrical conductors which are designed for high voltage distribution of electricity (i.e., over 1000 V; current subheading 8544.60) are clearly marked with their voltage ratings, the low voltage conductors of 8544.4 and 8544.5 are seldom so marked. These low voltage conductors include those used in electronics manufacturing, voice and data communications, etc.

When these unmarked low voltage conductors are presented for classification, it is difficult to determine whether their design limits them to applications of 80 V or less, whether their design permits them to be used in applications of slightly higher voltages, such as 110 V or 220 V. In this situation, correct classification might only be possible if the importer has knowledge of the ultimate application of the conductor. Such knowledge is unlikely in the event of shipments being managed by Customs brokers.

Moreover, it does not appear that the subdivision of electrical conductors at 80 V is relevant today. A review of the development of the Harmonized System reveals the fact that the 80 V limit was apparently intended to cover "communication wire and cable." The term "communications wire and cable" was not used in the legal text, for the obvious reason that interpretation would present certain difficulties.

The Agreement on Trade in Information Technology Products gives evidence that the intended purpose of creating a 80 V limit is obsolete. Specifically, the agreement covers electrical conductors of subheadings 8544.51 (for a voltage exceeding 80 V) as well as those of subheadings 8544.41 and 8544.49 (for a voltage not exceeding 80 V) when "of a kind used for telecommunications." [ . . . ]

